other article than it did before ; in other words, the real price of gold, or the quantity of commodities given in exchange for it, will rise, and the money prices of all commodities will fall j the money price of gold itself will remain unaltered, but the prices of all other commodities will fall. That this is not the present state of things is abundantly manifest; the prices of all commodities have risen and gold appears to have risen in its price only in common with them.

Another proof that it was not the scarcity of gold, but the depreciation of paper, which increased the market price of gold in paper was the fact *' that both at Hamburg and Amsterdam, where the measure of value is not gold as in this country, but silver, an unusual demand for gold would affect its money price, that is, its price in silver ; and that .as it does not appear that there has been any considerable rise in the price of gold, as valued in silver, at those places in the last year, the inference is, that there was not any considerable increase in the demand for gold." The committee also called attention to the fact that on previous occasions *' the excess of the market price of gold above its mint price was found to be owing to the bad state of the currency *;* and in both instances, the reformation of the currency effectually lowered the market price of gold to the level of the mint price." By parity of reasoning, the reformation of the existing paper currency would lower the price of gold to the level of the mint price, without regard to the quantity of commodities which either form of currency might purchase.

The high rate of exchange against England, as expressed in paper currency, was explained by some of the witnesses as being due to a large balance of payment due from England to other countries, either on account of imports of merchandise or expenditures abroad on account of military supplies and subsidies. The committee, however, pointed out that it had " been long settled and understood as a prin^ ciple, that the difference of exchange resulting from the state of trade and payments between two countries is limited by the expense of conveying and insuring the precious metals from one country to the other ; at least, that it cannot for any considerable length of time exceed that limit.